

## **Abstract:**

An industrial dispute may be defined as a conflict or difference of opinion between management and Workers on the terms of employment (Kornhauser, Dubin and Ross, 1954). In today`s business world, competition is the order of the day. Production, quality, profits and corporate social responsibility are critical areas where companies can improve competitive edge. To attain competitive edge, companies must first ensure cooperation and harmonious relationship between all stakeholders. The general aim of the study was to investigate the causes of industrial disputes in the garment factories in the Export Processing Zone (EPZ) Athi-River, Kenya. The study employed a descriptive research design to determine what caused the disputes and what the possible solutions were. The study population consisted of the shop stewards and human resource managers working at the four garment factories that were in operation at the time of the study. The research instrument used was a questionnaire administered to the respondents. It was established that working conditions, pay rates, terms of employment and employee relations were the main causes of the disputes. Weak trade union movement, inefficient and inadequate social security, lack of employment benefits, opportunities for training, promotion, trained personnel at the health service, short contract and low pay are the main problems encountered by those working at the EPZ. The study recommended that employee`s welfare and working conditions are important factors to be considered by any employer. Both supervisors and workers should work on their relationship and change attitude towards each other. The terms of employment should be looked into as many employees are unhappy with the terms of employment especially the short contracts and majority feel they are not recognized or awarded for their contribution to the organization. On the other hand, employees need to understand clearly the company policies, rules, regulations and procedures in place. This can be initiated by management providing employee with manuals or handbooks. There should also be clear channels of communication in the organization to enhance smooth operation, understanding and enhance healthy industrial relationships